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U.S. Feedgrain in World Markets

Nordic Cooperation in Agriculture

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In this issue:

2 Past and Prospects: U.S. Feedgrain in Export Markets
4 New Australian Wheat Program
Canada Acts on Eggs, Dairy Items
U.K. Grain Production Lower
5 EEC Upsets Yugoslav, Danish Beef Exports
6 Swiss Seek Additional Recipients of Surplus Milk
Swiss Raise Feedgrain Subsidy
7 Agricultural Cooperation in Scandinavia
By Marshall H. Cohen
8 Yugoslav Alfalfa Supplies Needed Livestock Feed
9 The Casamance Goal: More Rice for Senegal
By Gerald W. Shelden
10 U.S. Soybean Growers Gear for Export Market Push
Soybean Feedgrain Team Visiting Europe
11 Cotton Promotion Swings Through Canada This Year
12 Trade Teams, Coming and Going, Discuss U.S. Grains
Wheat Standards
13 Crops and Markets Shorts

This week's cover:

Nordic Council goals to keep farming in step with Scandinavia's total economy would affect industries like this Stockholm flour mill, captured here in time exposure. See article page 7.

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Past and Prospects: U.S. Feedgrain In Export Markets

World feedgrain trade this fiscal year continues at a level that appeared 2 years ago following a drop from the fantastically high 1965-66 export record. Commercially, the United States is faring better than most other exporters—mainly because it has the supplies some of the others do not have—and in 1968-69 may see a gain of over a million tons in its dollar sales. But its prospects, too, are tempered by the likelihood of a decline in exports under Public Law 480 programs, which could put the net U.S. advances at from 1 to 2 percent.

Currently, the 1968-69 outlook is for world commercial exports of feedgrains to be about 0.5 million tons higher than the preliminary 1967-68 total of 38.4 million but still below the past 3-year average. The forecast for U.S. commercial sales is about 19 million tons, compared with the 18 million exported last year.

Once a rapid gainer

Expectations for this year and results of the previous 2 provide a sharp contrast to U.S. and world feedgrain trade in earlier years. Between 1956-57 and 1965-66, U.S. sales of feedgrains showed an almost uninterrupted rise from 6 million tons to nearly 26 million, while total world trade climbed to a peak of 43.9 million. The 1965-66 year was, however, highly abnormal in that unusually small domestic supplies had occurred in both importing countries and in exporters other than the United States. These conditions together produced a 6.8-million-ton jump in U.S. commercial exports in a single year.

This rate of gain was not to continue. Beginning in 1966-67 importers reduced their commercial purchases by 2.7 million tons; in 1967-68 there was a further decline of 700,000 tons. While the projected upturn in exports this year is encouraging, it still suggests that the basic growth pattern for U.S. and world trade is one of less vigorous expansion than occurred in earlier years.

A prime factor in this situation is the European Economic Community, which takes about 40 percent of the world feedgrain exports; next largest purchasers are Japan, the United Kingdom, and Spain, in that order. The EEC has reduced its imports in every year since 1965-66 and along with Spain will do so again this year. Losses in these markets will be only partially offset by gains in the United Kingdom and Japan. Thus, together the four top importers will probably take less than last year and less than in any year since 1964-65.

The EEC and the U.K.

For the second straight year, the EEC has harvested record crops of feedgrain and soft wheat, both of which will cut into the import market for feedgrain. A new EC Commission regulation permitting larger subsidies for denaturing of

wheat has made soft wheat more important as a livestock feed. This, plus the fact that much of the EEC wheat is of low quality, means that diversion of wheat into feed use will probably increase by over a million tons, thus holding total domestic use of feedgrain at about the same level as last year. Supplies of feedgrain (including carryover) on the other hand, are about 1.8 million tons above last year's, resulting in a much smaller import need.

Also of importance is the composition of the EEC feedgrain crop. The 1968-69 corn production is now estimated at 9.0 million tons, up about 1.3 million over last year's. Although barley production is down some 1 million tons, it will not offset corn's influence on imports, since the EEC is a net importer of corn and a heavy exporter of barley. In fact, the smaller barley crop could result simply in a reduction of barley stocks rather than in any trade change.

In the United Kingdom, an increase is seen for feedgrain imports, although the gain will not equal the estimated 1.2-million-ton drop in U.K. production. As is the case with the EEC, the use of wheat for feed should rise considerably. This is primarily because of the severe harvesting conditions that existed in the United Kingdom this fall, which resulted in a wheat crop of very low quality.

Spain and Japan

In Spain, feed use of wheat should not show the steep rise that it did in 1967-68, but the country is expecting a record feedgrain crop and only a moderate increase in domestic utilization. It will therefore probably reduce feedgrain imports rather sharply from the 2.7 million of last year.

Of all the major importing countries, Japan is the most dependent on feedgrain imports. The relatively small local feedgrain production was up only slightly in 1968. Domestic use can be expected to rise 7 or 8 percent, and as a result, feedgrain imports will probably climb by about the same amount to well over 8 million tons.

Commercial feedgrain purchases by countries other than these top importers amounted to roughly 9 million tons in 1967-68. For the current year, there is no reason to expect any major change, except in Eastern Europe where a short 1968 crop could bring a 0.5 million- to 1.0-million-ton increase in imports.

The United States is a major beneficiary of Eastern Europe's increased demand and through October 3, had licensed exports of 333,000 tons to that area, against only 22,000 at a comparable time last year.

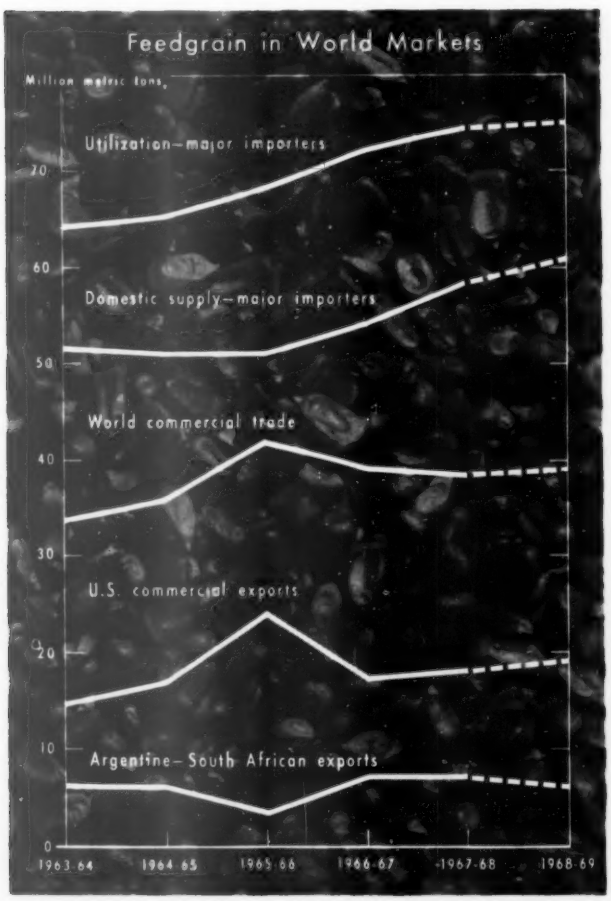
U.S. competitors have less to sell

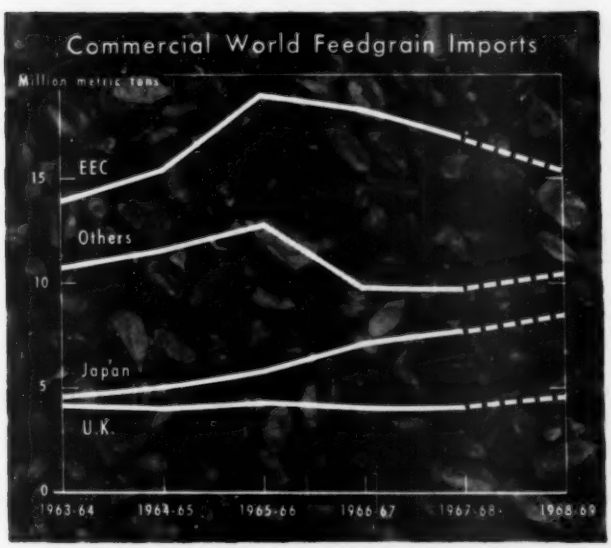
One reason for the United States anticipated gain this year is that its biggest competitors—Argentina and South Africa—together have less to export.

In South Africa, corn and sorghum exports during July-June 1968-69 are expected to be down about 1.2 million tons from last year's 3.5 million. This is due mainly to a low level of stocks resulting from the sharply reduced corn and sorghum harvest in the spring of 1968. Drawdown of stocks will be necessary, and if the oncoming crop is poor, exports could fall even lower than 2.3 million tons.

Argentina, too, entered 1968-69 with stocks of corn and sorghum much below the previous year's high level. Its supply nevertheless remains quite large. Thus, barring a much-below-normal yield next March-April, Argentina can be expected to export at around last year's level of 3.6 million tons. Acreage has reportedly been increased, so that even a poor yield would probably not affect export volume until the second half of 1969.

Other important U.S. competitors—especially in the export of corn—are Mexico, Yugoslavia, Brazil, and Thailand.





Exports from Mexico should remain at about last year's level, while those from Yugoslavia will fall sharply from last year's and to less than half the 1966-67 level because of a much smaller 1968 harvest.

Brazilian corn sales are expected to exceed last year's and reach nearly a million tons—the highest export in any recent year.

Of these secondary exporters, Thailand is usually the most important, shipping out over a million tons of corn and sorghum in each year since 1965-66. As in 1967-68, that country has agreed to supply Japan with corn. The 1968-69 agreement is for 780,000 metric tons (plus or minus) of corn. The agreement includes an option of selling a minimum of 584,000 tons or a maximum of 896,000, depending on the size of the crop.

Among the smaller feedgrain exporting countries, the United States can probably expect roughly 300,000 to 500,000 tons of added competition in world markets during 1968-69.

New Australian Wheat Program

As introduced to Parliament in the form of legislation, Australia's new Wheat Industry Stabilization Scheme contains some provisions not present when it was put to farmers for approval in mid-September. These provisions, of an administrative nature, nevertheless could have substantial effect on export marketing policies.

(For details on the new program, see *Foreign Agriculture*, Oct. 21, 1968.)

The new legislation extends the Australian Wheat Board's marketing powers for 2 years beyond the duration of the 5-year Scheme, which will take effect December 1. Formerly, the Board's life matched that of the Scheme, and the Board could not make export commitments for any future crop. Thus, it had no power to make long-term contracts extending beyond the Scheme's 5-year term. With the new legislation, the Board will have full marketing powers for 7 years and will be able to enter into long-term contracts similar to those negotiated in the past by the Canadian Wheat Board. Thus, it could negotiate a 3-year contract in the fourth year of the Scheme, an impossibility under the old program.

According to Minister for Primary Industry J. D. Anthony, the new program puts the Board in a stronger position to meet competition from other exporting countries.

Parliament has also received complementary legislation covering the collection of grower contributions to the Wheat Stabilization Fund if export returns are 5 or more Australian cents above the guaranteed price.

—Based on dispatch from FRED M. LEGE III
U.S. Agricultural Attaché, Canberra

Canada Acts on Eggs, Dairy Items

Canada recently announced a deficiency payment for eggs marketed in the 1967-68 support year and a plan to use more milk in the manufacture of butter and less in cheese.

The Agricultural Stabilization Board will pay farmers 0.4 Canadian cent per dozen—the difference between the support price of 34 cents and the weighted national average price of 33.6 cents received by producers—for eggs marketed during the year ending September 30, 1968. Total payments will amount to about C$500,000.

To be eligible for the deficiency payment, producers must be registered with the Board as marketing their eggs through approved egg-grading stations or as doing their own grading and selling directly to retail outlets. Payment applies to sales between 1,000 and 10,000 dozen Grade A Extra Large, Grade A Large, and Grade A Medium eggs.

The Board has also said that the surplus egg purchase program carried out in 1967-68 helped substantially to stabilize producer returns. These purchases, in the form of egg powder, will be used by the government in external aid programs.

The program to put more milk into butter and less into cheese was announced by the Canadian Dairy Commission in an effort to help insure adequate butter supplies during the winter months of low production.

Butter production in September was 7 percent lower than in the same month of 1967, while cheese output was 12 percent higher. On October 1 stocks of butter totaled 76.3 million pounds against 84.5 million a year earlier. Cheese supplies on the same date were at a record high 101.3 million pounds against 90.3 million a year earlier.

Even with the program to discourage production of cheese in favor of butter, the Commission believes that supplies of butter may be slightly below market requirements until next spring. Should this occur, the Commission is prepared to import enough butter to supply the market and prevent prices from rising above present levels, taking into account normal commercial considerations and the interests of traditional suppliers.

—Based on dispatch from ALFRED R. PERSI
Acting U.S. Agricultural Attaché, Ottawa

U.K. Grain Production Lower

Grain production in the United Kingdom this year is forecast at over a million tons below 1967 output, primarily because of reduced yields per acre and difficult harvest conditions. With the harvest now over, the crop is put at 13.36 million long tons against 14.40 million last year.

(Note: Yields per acre are calculated on the basis of yields in England and Wales, as supplied by the U.K. Ministry of Agriculture.)

Wheat production dropped about 5 percent below the 1967 level to 3.64 million long tons as yields per acre fell over 9 percent to approximately 3,350 pounds. Most of the wheat is believed to be of generally poor quality, with a considerable proportion of thin, shriveled, and discolored grain.

The quality of the barley crop is said to be the same as that of wheat. With area and yields down this year—the latter by over 6 percent to about 3,125 pounds—the crop is forecast at 8.35 million tons, 8 percent lower than the revised 1967 output.

Oats production is expected to be down 10 percent to 1.23 million tons as a result of a drop of over 5 percent in acreage and a 5-percent drop in yields to 3,270 pounds per acre. The quality of the oats, however, is believed to be better than that of the wheat and barley.

Among all grains, only mixed grain saw a rise in production this year. The 13-percent increase to 133,000 tons reflects 19 percent more acreage offset partly by a probable fall in yield per acre.

Production of rye is expected to be in the region of 11,000 long tons, a decline of 1,000 from the 1967 level.

—Based on dispatch from DAVID L. HUME
U.S. Agricultural Attaché, London

EEC Upsets Yugoslav, Danish Beef Exports

The EEC tariff barriers, which have for several years been an ominous sign to third-country exporters, are beginning to disrupt established world trade patterns. Among persons affected are the beef and cattle exporters of Yugoslavia and Denmark, who once found their major markets in the Common Market. Increased EEC duties have sent these exporters on an intensive search for new outlets while their governments tackle the problem of what to do with excess meat.

Yugoslav baby beef hurt

The dimming of prospects for Yugoslav beef came suddenly in December of 1967, when Italy placed full levies on beef and cattle imports from non-EEC countries. This had the effect of doubling the import charge on Yugoslav "baby beef" and cattle to 29 and 9.5 cents per pound, respectively, virtually cutting off a market that last year accounted for over half Yugoslavia's beef exports and all of its live cattle shipments.

The EEC action dealt a severe blow to Yugoslavia's beef industry. With the lucrative Italian market cut off, beef exports fell sharply, cattle backed up on farms, and production losses mounted.

Since the initial action, there has been a relaxation of Italian custom charges for animals under 300 kilograms, liveweight, but this has provided only limited assistance. Slaughterhouses are still under stress and tend to offer lower prices. Private farmers who are short of pasture due to this summer's drought and need money to meet monthly bills are reportedly selling stock for whatever it will bring. And the large kombinats (state-run farms) are said to be losing money due to the increased costs of feeding cattle to heavier weights plus the lower slaughter price.

Moreover, the EEC action has posed an acute problem for the Yugoslav Government's Office of Food Reserves, which is committed to buy at support prices all livestock offered to it. Reportedly, the task is greater than either the funds or the cold storage capacity can stand.

The government is also being bombarded by demands from the kombinats, who want assured export markets if they are to stay in the livestock business. Renewed shipments to the United Kingdom (since that country lifted the ban imposed on imports when foot-and-mouth disease was present), some increase in sales to Greece, and the easing of restrictions on Italian cattle imports have thus far not been enough to alleviate Yugoslavia's beef problems, and beef exports are expected to be off about 30 percent from last year's level.

Looking back, Italy played an important part in the building of Yugoslavia's beef export trade. From about 16,000 tons in 1960, that trade skyrocketed to an estimated 80,000 tons in 1967—or a third of the country's total beef production. And by 1967, Italy alone was taking more than 50,000 tons, compared with only 5,544 in 1962.

In response to higher support prices—prompted in part by the steady gain in the Italian market—Yugoslav farmers expanded their herds of beef cattle. As a result, Yugoslavia by 1967 had increased its cattle numbers 10 percent above the 1965 level to 5.7 million head and its beef production 29 percent to 236,000 metric tons—levels that were to become burdens when Italy closed its doors to Yugoslav beef.

This experience has been disappointing to the Yugoslavs. They see the action taken by the EEC as a restrictionist policy which could engender retaliatory measures by third countries, including their own. In fact, some steps toward tightening of trade regulations are already taking place in Yugoslavia: many import commodities have been transferred from the free list to conditionally free or to a contingent quota, and antidumping measures have been imposed on certain agricultural items from both Eastern and Western countries.

Much the same problems have occurred in Denmark, whose beef and cattle exports have dropped sharply this year as a result of the loss of its cattle market in West Germany.

In the past, Germany was a guaranteed market under a bilateral agreement for 225,000 head of Danish cattle (mostly cows from dairy herds) at exceedingly attractive prices. With implementation of the EEC's common agricultural policy for meat, however, Denmark lost that "protected" market and instead had to settle for a small bilateral agreement with the Common Market as a whole.

As a result, Denmark's exports of cattle have dropped sharply this year and will probably end up at no more than 100,000 head, compared with the 300,000-head average for recent past years. Accompanying the decline have been other problems, including a buildup of beef stocks, a resulting drop in domestic prices, and the need to develop markets in other parts of the world.

Difficulties with the EEC have, for instance, led to extensive government intervention on the Danish market. Between August 1966 and July 1968, 175,000 head of cattle for slaughter had to be purchased with money from the Agricultural Disposal Fund. The slaughtered cattle were placed in refrigerator warehouses and sold as frozen meat to nontraditional markets—a procedure ordinarily used to dispose of surplus poultry and meats other than beef.

Denmark this summer created a new organization to handle these market clearing functions, which will continue to be necessary if the German market does not reopen. Called the Marketing Board for Cattle and Meat, this organization determines the size of support purchases and the best possible means of accomplishing them. It also supervises the sale of meat and cattle purchased by the Agricultural Disposal Fund. The form of support purchases remains the same as in the past: that is, slaughter animals are purchased for storage in refrigerator warehouses.

In addition, the government has put into effect a quantitative rebate arrangement for the export of processed beef and canned beef products. This rebate will apply to exports to new markets in the Mediterranean area and the Far East. It is expected that frozen cut-up roasts and steaks can be sold there and possibly also canned beef.

While working to improve its position in these markets, Denmark has not ceased trying to renew sales in West Germany. Consequently, a new bilateral with West Germany—calling for imports of 250,000 head of Danish cattle yearly—has been placed before the EC Commission. Danish sources, however, are pessimistic about the outcome of this move.

Implications for world trade

Other meat exporters are affected to some extent now—and will be increasingly so in the future—by the high EEC duties and levies on beef. But still their difficulties are hardly com-

parable to those of Yugoslavia and Denmark, which expanded production expressly to meet demand from their respective markets in the EEC. Since the EEC has, in this new common agricultural policy, shown more lenient policies toward imports of feeder cattle and calves, these countries can perhaps regain part of their lost markets. But this still does not solve the problem for expensive feedlot operations that have lost business, nor does it provide markets for dairy cows for slaughter.

The United States thus far is little affected by the tariffs, since its main meat exports to the EEC are variety meats and high-quality cuts of beef. Variety meats are bound under GATT and include the following: Fresh, chilled, or frozen offals, bound at 20 percent ad valorem; salted, brined, dried, or smoked meat and edible offals, 24 percent; sausages containing liver, 24 percent; preserves of beef and veal containing liver, 25 percent. U.S. beef cuts are bought in limited volume because some Common Market consumers are willing to pay high prices for superior cuts.

EEC restrictions could, however, bring fundamental changes in future world meat trade. The Common Market's willingness to import feeder cattle and calves reflects its desire to gain self-sufficiency in beef and veal, which could eliminate this area altogether as an import market and perhaps even make it a net exporter. This means that the meat-exporting countries would have to divert supplies to other countries in a dramatic reshuffling of trade patterns. Developing countries, with their lack of high-protein foods, would be logical new outlets, but in most cases they cannot afford to import beef or are instead concentrating on building up their own industries. Moreover, many of these countries, as they expand output, look to the meat export market to supply needed foreign exchange.

Thus, for some time to come, the developed nations will represent the major meat importers, and their farm policies will determine the course of future world meat trade.

Swiss Seek Additional Recipients of Surplus Milk

In Switzerland surplus milk and milk products are being siphoned from the country by a new coordinated approach. A new central charity organization named "Dairy Products for Needy Areas" was formed a few months ago to cooperate with several government agencies and the Union of Swiss Milk Producers. At the same time, the Federal Council of the Ministry of Agriculture, the supply and distribution agency that sets producer prices for milk and other agricultural commodities, earmarked US$4.1 million for the purchase of dairy products for overseas donation. (In 1967, only $580,000 was allocated.)

The new dual program is an outgrowth of older organizations through which Switzerland for several years has given dairy products for free distribution in developing countries to the young, the sick, and the elderly. The products, under existing regulations, may only be shipped to areas where real emergencies exist and where an equitable distribution can be guaranteed. Until recently, distribution was made by the Swiss Political Department, the Swiss Government agency that is the equivalent of the U.S. Department of State.

The job of the new central charity organization is to discover different ways of increasing the flow of surplus dairy products to areas where they are greatly needed. For the first time, also, money from the Federal Council's funds may be used to pay for packaging and freight to a European seaport as well as for actual purchase of dry milk and cheese. Costs of freight to receiving areas from European ports and distribution will continue to be paid by nongovernmental charities.

Whether the new system will be continued in 1969 is not yet known. Some of the problems being encountered are high transportation costs paid by the Swiss Government, inadequate storage during transport to receiving areas, and unfamiliarity with handling milk and cheese by recipients. The new central charity organization may not be able to continue to meet its share of transportation financing. In addition, the Swiss Political Department must consider that other countries have milk surplus disposal programs that sometimes have apparent conflict with the Swiss program. Also, the total cost of the program is high and is added to the cost of other dairy endeavors.

However, since January 1, 1968, about 2,600 metric tons of dry surplus dry milk and 170 tons of cheese have been ordered and some of that quantity has already been shipped. The value of purchases is now about $3.7 million. From January through August in 1968, 866 metric tons of dry milk were shipped to the Near East and Middle East, 312 to Asia, 921 to Africa, 75 to Latin America, and 136 to other regions. —Based on dispatch from ALAN W. TRICK

U.S. Agricultural Attaché, Bern

Swiss Raise Feedgrain Subsidy

With the goal of diverting pastureland to grain, the Swiss Government on September 16, 1968, upped producer subsidies for feedgrain production in the coming year. The gain was $14 per acre for all major feedgrains, bringing to about $56 the subsidy for oats, barley, millet, small spelt, and emmer wheat and to $61 the subsidy for corn. A further boost—amounting to $4.80 per acre—was given to producers in mountainous areas, bringing the grain subsidies there to about $60.80 and $65.80.

As a result of the government action, Swiss feedgrain production for the first time is more profitable in some areas than dairying. The government hopes that this will lure farmers away from dairying and therefore help reduce Switzerland's bothersome milk-product surplus.

Right now, it looks as if feedgrain area will be expanded to 25,000 acres and thus marketing could rise by 15,000 tons to 35,000. However, the eventual target is for feedgrain plantings to double to 50,000 acres.

Switzerland's use of subsidies to expand feedgrain output dates back to 1961, when the country marketed only 8,000 tons of these grains. Through use of both production and marketing subsidies, Switzerland was able to increase marketing to 20,000 tons by 1967. The marketing subsidies—intended to bring the price of home-produced grain up to the level of imported grains—have remained constant since 1961. They are up to 15.9 U.S. cents per 100 pounds for freight costs and up to 26.4 cents for handling costs and dealers' markups.

Nordic Council accelerates

Agricultural Cooperation in Scandinavia

BY MARSHALL H. COHEN
Foreign Regional Analysis Division
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The countries of Scandinavia, noted for their cooperative spirit in many economic fields, have long remained apart in agriculture. Today, however, signs of agricultural cohesiveness are growing, a development due largely to recent initiatives of the Nordic Council. This body, which meets annually to explore ways to further Scandinavian cooperation, consists of 69 elected delegates from the legislative assemblies of Denmark, Finland, Norway, Sweden, and Iceland.

At its meeting last February, the Council recommended numerous measures to strengthen Nordic agricultural solidarity. Apparently, the major reason for the proposals was the Nordic countries' unlikely prospects for membership in or association with the European Economic Community in the near future. (At both the February Council meeting and the April meeting of Nordic Prime Ministers all the Nordic governments opposed proposals for affiliation with the EEC without the United Kingdom; in view of the repeated French rejection of the United Kingdom's application, little optimism exists for speedy Nordic affiliation. Even if a British application were accepted soon, the membership-formalization process could take 3 to 5 years.)

The Nordic countries, which share a remote outpost in the world's geography, have a common way of life and a similarity of cultures. Their languages—except for that of Finland—stem from a common root. Collectively, the Scandinavian countries have a combined area of 446,000 square miles, a population of over 20 million, and a gross national product of about $2,300 per capita—which is higher than that of the United Kingdom, France, or West Germany.

Since short-run prospects for Nordic membership in an expanded EEC are tenuous, the Nordic Council recommended various alternatives. Although of a transitory nature, these alternatives would improve prospects for participation in the EEC at a later date.

The proposals regarding agriculture include one for the development of a customs union as part of a common Nordic commercial policy. Adoption of a customs union with common tariffs based on a weighted average of the tariff schedules of member countries, and, to the extent possible, in line with the level of tariffs in the EEC would simplify the problem of adjustment if the Nordic countries joined the EEC.

Other agriculture-related proposals recommended for further study by the Council include the introduction of preferences among Nordic countries, agreed prices in intra-Nordic agricultural trade, protective barriers against dumped or subsidized exports from certain countries, and the removal of tariffs on manufactured foodstuffs.

Implementation of a common tariff policy would create certain problems. One would be the required change in various prices. Now, for example, producer prices in Finland and Norway—particularly for grains and dairy products—are the highest in Scandinavia, even higher than the EEC average. In Denmark, producer prices for these and for other livestock products are far lower, largely because of the efficiency of Danish agriculture and the importance of agricultural exports to the Danish economy.

With a common trade policy, Danish farmers would provide keen competition for farmers in the other Scandinavian countries. Such a policy would also aid Danish agricultural exports, which have been severely reduced by high EEC tariffs. Denmark's Minister of Economics Poul Niboe-Andersen emphasized recently that Nordic cooperation must aim at creating a preferential position for Danish food products in other Nordic countries.

If a common tariff policy is worked out, a long-run effect would be greater specialization of production in the Nordic countries and perhaps a speedup of programs designed to improve the structure of agriculture in these countries.

Of the Nordic countries only Sweden has thus far begun to modify traditional agricultural policy (based originally on a parliamentary decision in 1947). The change involves a lowering of self-sufficiency targets for farm products, which should result in some increase in agricultural imports. Sweden has already adjusted prices of certain products—sugarbeets for one—to EEC levels. (See *Foreign Agriculture*, Oct. 17, 1966.)

In Denmark, discussions are underway concerning the feasibility of alternative farm programs. In Norway and Finland, modification of farm-support policy may be slower, for social as well as for economic reasons. In both these countries a large percentage of the agricultural labor force is on small farms. If their high supports were removed now, many of these farmers would have little opportunity for alternative employment.

Any common market arrangements between the Nordic countries would have to be made within the regulatory framework of the European Free Trade Association (EFTA), with which four Nordic countries affiliated. Although the Nordic governments discussed the feasibility of establishing a common market during the 1950's the notion was dropped. Instead, Denmark, Norway, and Sweden joined with the United Kingdom, Austria, Portugal, and Switzerland to form EFTA. Finland became an associate member of EFTA in 1961. Agricultural goods were exempted, however, from EFTA's dismantling of industrial tariffs completed January 1, 1967.

EFTA regulations provide for special bilateral agreements concerning agricultural trade. Of such agreements entered into by Nordic members, the most important are the ones between: Denmark and the United Kingdom for butter, pork, and poultry meat; Denmark and Sweden for specialized chilled and frozen meat products; and Denmark and Portugal for wines.

The proposals for Nordic cooperation in agriculture are in an embryonic stage, and intensive study and discussions will have to be undertaken concerning all their aspects. However, cooperation in certain agricultural policies should be a natural development.

(*Continued on page 8*)

Yugoslav Alfalfa Supplies Needed Livestock Feed

Yugoslavia's needs for protein livestock feed are being increasingly met by home-grown products—alfalfa and sunflowerseed cakes—and less from cakes and meals prepared from imported oilseeds. While Yugoslavia has grown alfalfa for some time, only recently has the legume been processed into dehydrated "flour" and pellets that can be easily handled and shipped to livestock producers.

Thirty years ago Yugoslavia's alfalfa acreage was small, and the main hay crop was red clover, another legume. In 1967, total Yugoslav area in alfalfa was about 887,000 acres. Red clover took up about 553,500 acres. Not only has alfalfa increased in area, its yields have made excellent gains over the years. According to the Government's Statistical Office, in 1967 yields averaged about 2.3 metric tons per acre, dry hay basis, for a total crop of about 2.1 million metric tons. Actually, average yields may have been a little higher if the country's leading alfalfa authority is correct in his estimate of a total alfalfa crop of around 2.2 million metric tons in 1967. According to his calculations, average yields were about 2.46 metric tons per acre, or about double those of 30 years ago.

Fertile lowland farmed intensively

Alfalfa production is not evenly distributed throughout the country. The biggest crop comes from Vojvodina, the lowland section of Serbia just north of the Danube and south of Hungary. The central and southern parts of Serbia have the largest alfalfa areas, but not the biggest harvests. The lands of Vojvodina are extremely fertile, and on large state farms (kombinats) the cultivation and harvesting of alfalfa is thoroughly mechanized. About 30 percent of Yugoslavia's alfalfa crop comes from Vojvodina. A much higher percentage of the refined alfalfa products now being marketed comes from the same location.

Where alfalfa is grown under irrigation, yields are impressive. On the kombinats in Vojvodina, where the latest practices are employed, 25 to 30 cuttings are reportedly made during a normal 5-year cycle for alfalfa. Average yield on such farms is reported to range from 5.6 metric tons per acre to 8.1 tons per acre per year. And some farms are harvesting as much as 10.1 tons per acre per year for certain varieties.

Harvesting is mechanized and a number of machines are used, such as cutter-windrowers, chopper-blowers, tractors and wagons to haul chopped alfalfa, and dehydrators. The dehydrators also divide the alfalfa into very fine particles ready for sacking. The use of dehydrators is becoming more common, especially on the big farms of the Vojvodina, where single fields up to 4,000 acres are in alfalfa. At present, Yugoslavia has 18 large dehydrators with a total capacity of 45 metric tons of alfalfa flour per hour. These machines now produce up to 81,000 tons of flour a year. Most of the dehydrators were constructed in a cooperative effort between a Yugoslav firm and a Netherlands company.

Use of alfalfa products growing

The alfalfa flour and pellets chiefly go into prepared livestock and poultry feeds for consumption within the country. At present, on large commercial farms 5 percent of poultry and hog rations and 15 percent of cattle and sheep rations are alfalfa. The trend is to increase the proportion of alfalfa, and hog and poultry rations may soon contain 7 percent and cattle and sheep rations 20 percent. If these percentages are achieved, some experts believe that Yugoslavia's purchases of imported animal feeds (especially soybean meal) could be sharply reduced and scarce foreign exchange conserved.

Already, small exports are being made of alfalfa flour, and they are expected to grow in the near future. This product might well become an important earner of foreign currency.

Production increases of both processed and unprocessed alfalfa can be expected in the future. Although the expansion of acreage during the past 5 years has averaged just under 5 percent a year, it will probably be slower in the immediate future. But even if acreage remains static, output will increase because of augmented yields as production methods are improved. —Based on dispatch from FRANK W. EHMAN

U.S. Agricultural Attaché, Belgrade

(*Continued from page 7*)

A long and meaningful fellowship between the Scandinavian countries has extended to the present. Nordic agreements have been enacted throughout this long association. For example, shipping agreements were signed between Denmark and Sweden in 1691; neutrality agreements were signed between these countries in 1794. In 1872 a conference of lawyers initiated inter-Scandinavian cooperation in the field of law. A liaison body—the Nordic Inter-Parliamentary Union—was formed in 1907.

In recent years solidarity between the Scandinavian countries has been far reaching. Today cooperation exists in questions of economic policy, direct cooperation between firms, freedom in capital movements, trade controls (in the recent Kennedy Round agreements certain commodities were negotiated by a Nordic bloc), customs procedures, regulations governing frontier trade, and joint economic development programs.

Although certain impediments may retard full agreements in agricultural cooperation in the short run, it seems likely that the traditionalism of Nordic cooperation will eventually extend to the agricultural sector.

Canadian Grain Developments

Farmers in Ontario are expected to seed more acres to soft winter wheat this year than last year's 355,000, primarily because of a lower corn price and favorable autumn weather.

Wheat producers get an initial payment of $1.80 per bushel plus an additional payment when the crop is sold. The producer price of corn, on the other hand, is considerably lower, averaging C$1.27 in the season that ended August 31.

In another development, the Canadian Board of Grain Commissioners sent two senior scientists to Japan to discuss Canadian grain—particularly wheat and barley—with Japanese purchasers and processors. They visited the Food Agency, the Feed Grain Association, government and university laboratories, mills, bakeries, malt houses, and breweries to review the quality of the 1968 crop, testing procedures, and processing methods. Japan is an important customer for Canadian wheat and at times has purchased barley for feed and some malt.

Senegal's drive toward self-sufficiency in foodgrains is largely dependent on production gains in a single crop, rice, and it in turn on development projects in the Casamance.

The Casamance Goal: More Rice for Senegal

By GERALD W. SHELDEN
U. S. Agricultural Attaché
Monrovia, Liberia

Senegal, located on the West Coast of Africa and extending from the southern reaches of the Sahara Desert on the north to tropical rain forests on the south, is best known for its ascendant position in world peanut trade and for Dakar—its present capital and onetime administrative center of French West Africa. Today, however, the country is taking on a new look, which includes stress on crops other than king peanut. Rice is one of these, and the Casamance is one region where hoped-for gains in production will take place.

Named for the Casamance River, this region in southwestern Senegal is already the country's major rice producer, accounting for two-thirds of the 1967-68 harvest. However, sizable tracts of land still lie idle here, awaiting the reclamation projects needed to ready them for rice production. As these projects develop, the country hopes to gradually lower its dependence on rice imports, which now amount to around 150,000-200,000 tons a year, or two-thirds of the total need.

For the current 4-year plan, 1965-69, rice production has been given priority and a goal of 140,000 tons. Output, with a jump to 124,000 tons, was well on the way to this goal in 1966-67. But too much rain and other problems followed in 1967-68, and the country was faced with a crop of only 95,000 tons. Moreover, in the current season, production may fall even further as a result of prolonged drought throughout the country. Thus, Senegal finds it more imperative than ever to make the most of available land in the Casamance and other areas.

Help from abroad

Not having the technical knowledge and capital required to extend rice production, Senegal has turned to other countries for assistance. Thus, Casamance rice projects have taken on an international flavor, with Frenchmen, Taiwanese, and Americans among the technical advisers.

One of these foreign sources of aid is the European Economic Community's European Development Fund (EDF). After a multi-year study of the Casamance Region, the EDF has begun helping reclaim saline soils for rice production. In 1968, 247 acres of land were reclaimed through the building of canals and water control structures. Projects involving 370 acres are now underway, and work on an additional 1,236 acres is scheduled to begin in 1969. At the end of the project 4,942 acres of previously unusable land will be producing rice. In this effort, the EDF finances infrastructure costs, but the major part of the labor is supplied by volunteers from neighboring villages.

Another source of technical assistance is the Republic of China (Taiwan). A Taiwanese rice production team has been in the Casamance Region for 6 years and has about 47 acres of double-cropped rice at its main operation. Yields have been excellent, in certain cases reaching 3 tons per acre, but the Taiwanese have had difficulties in extending their techniques to the Senegalese farmers. Because of this, it was decided to include the Taiwanese technicians and personnel in the new U.S. project, where the major effort is dissemination of modern methods.

U.S. involved in effort

After careful study of the country, U.S. technicians also selected the Casamance area for a rice production and training project. It is designed to help individual villages increase production of rice and other food crops through improved seed, fertilization, water control, soil conservation, extension, marketing, and land tenure.

The U.S. resident team is composed of an agronomist, a credit and cooperative adviser, a rice marketing specialist, an engineer, and an administrative officer. Peace Corps volunteers have been assigned to each village to help carry out projects, and Taiwanese technicians at each site assist in the rice planting and water control programs. Senegalese counterparts also work with the group. These men are assisted from time to time by special agricultural consultants from the United States.

Thus far, projects have been initiated in two villages and involve a total of 642 acres. Swamp or paddy rice areas are being double cropped, and the upland areas, laid out with soil-conserving terraces and water diversion systems. Additional villages will be brought into the project as time and facilities permit. Moreover, leaders from other parts of the region will be invited to visit the pilot projects, with the hope that they will launch similar programs in their own villages.

A number of Senegalese technicians recently received additional training in the United States. They are now acting as advisers, both in the villages and at the project headquarters, and some of them work as counterparts to the U.S. technicians.

The Fleuve project

Another development project—and the largest so far—has been carried on since 1964 by the French in the Fleuve Region of the Senegal River Basin. This project, which was originally operated by the Senegalese but later turned over to the French, covers 74,000 acres of saline land, with another 74,000 theoretically available for development. Large dikes have been built to keep salt water from entering the area and to control the level of fresh water. Thus far, 26,000 acres are under cultivation, and more land will be added after the present yield improvement program has been carried out.

The Government of Senegal has displayed great interest in all these projects. It believes their success will enable Senegal to become self-sufficient in rice in a short space of time. As an indication of the government's interest and support, well-trained, enthusiastic local personnel have been assigned to each project.

U.S. Soybean Growers Gear for Export Market Push

The "Time for Decision" theme that dominated the American Soybean Association's 48th annual meeting in New Orleans this August has now given way to "Time for Action." At the August meeting, American soybean producers—confronting a 3-year buildup in U.S. soybean carryover stocks and recognizing that their first billion-bushel crop was approaching harvest time—laid plans for an aggressive, long-range, self-help program to expand demand for soybeans around the world. Phase 1 of this program, providing for stopgap funds through grower contributions to help move ASA into full-scale foreign market promotion, has now gone into effect.

Background of ASA's concern is the increasing lag between U.S. soybean supplies—up for the 5th straight year and due to rise again—and sales both here and overseas. This Cinderella crop, as it has been called, has become an outstanding export success during its relatively short history; over 40 percent of its total market now lies outside the United States. But other oilseeds and proteins are giving much stiffer sales competition than before, while at the same time U.S. production continues to move steadily upward. A triple record was indicated as of October 1—a crop of 1,066 million bushels, from harvested acreage of 41 million acres, each yielding 26 bushels. This, added to a record carryover of 167 million bushels, means a record supply of 1,233 million. And growers are squarely facing the prospect that next year's carryover could be even worse—more than 300 million bushels.

ASA's market development push began with the resolution it passed at New Orleans. The preamble reads: "Recognizing the ominous buildup in the carryover of soybeans in the U.S., the increased competition from other oilseeds and proteins around the world, and the low net return per acre to American farmers, we recommend an increased, grower financed Market Development program."

The program has three phases. Phase 1 is the tooling-up stage, to be financed through a voluntary contribution of ½ cent per bushel by growers on their 1968 crops, contributions from agribusiness, and increased membership. Phase 2 calls for stepped-up action by affiliated State soybean associations (which now number 16, among the 28 soybean-producing States), moving eventually toward Phase 3—a national united plan (to be ratified by the State associations) which would permit all U.S. soybean growers to participate on a fair-share basis by investing not less than ¼ cent per bushel of their production in an ASA-administered self-help market development effort.

Growers attending the ASA meeting, who are producing on a total of over a million acres of soybeans, committed themselves to supporting the expanded market development push. ASA's Board of Directors late last month sent an 8-member committee to Washington for discussions with USDA's FAS and to New York for talks with prominent agribusinessmen. The launching of Phase 1 through this committee is expected to result in more organizational muscle for ASA and its State associations; wider representation and support by soybean producers who will be reached for the first time at this stage; more county committees, for greater grass roots strength.

As growers demonstrate their support, agribusiness will be called actively into the program. ASA officials point out that elevator managers, processors, shippers, and sellers of chemicals, seed, and equipment all have a vital stake in keeping the U.S. soybean industry healthy.

But grower dollars will not be carrying the full load for market expansion. As is true now of ASA market development funds being spent in Japan, they can be multiplied manyfold by the participation of FAS (through Public Law 480 funds) and cooperating groups overseas.

Soybean-Feedgrain Team Visiting Europe

Now on a dual-purpose trade mission is a 10-man team sent out by Secretary of Agriculture Orville L. Freeman November 8 to promote exports of U.S. soybeans and feedgrains in Spain, Italy, West Germany, Yugoslavia, Denmark, Belgium, and the United Kingdom.

In 1967, these seven countries together bought about 110 million bushels of U.S. soybeans, valued at about $325 million and accounting for 42 percent of U.S. soybean exports. Their feedgrain purchases from the United States added up to 223 million bushels valued at about $300 million, for 28 percent of the U.S. feedgrain export total.

The mission has five major goals:

- To appraise market prospects for the two commodities;
- To give these important foreign buyers assurance that U.S. supplies of soybeans and feedgrains are adequate for their needs and that the United States will continue to be a dependable source;
- To assess the position of other countries competing for these markets;
- To reaffirm the U.S. position on the need for achieving greater liberalization trade; and
- To seek the maintenance of maximum market access on behalf of these two leading U.S. dollar export crops, which are of vital importance to U.S. agriculture and industry.

Like other trade missions on U.S. farm commodities—wheat, soybeans, soybean oil, feedgrains, cotton—this one includes representatives of the producers, the trade, and the government. Team leader is James A. Hutchins, Jr., Acting General Sales Manager of USDA's Foreign Agricultural Service.

Representing feedgrain and soybean producers are A. W. Anthony, Jr., president, Grain Sorghum Producers Association, Friona, Tex.; Fred Ludwig, director, National Corn Growers Association, Laurens, Iowa; and Leslie Tindal, secretary, American Soybean Association, Pinewood, S.C.

Trade members are Henry Becker, assistant vice president; Bunge Corp., New York, N.Y.; James Layton, vice president and general manager, St. Louis Grain Corp., St. Louis, Mo.; Oakley Ray, vice president, American Feed Manufacturers Association, Arlington, Va.; Lowell Rasmussen, president, Honeymead Products Co., Mankato, Minn.

Other USDA representatives are Truman J. Cunningham, Commodity Operations Division, Agricultural Stabilization and Conservation Service; and George E. Wanamaker, Fats and Oils Division, FAS.

Last week, the joint team visited Spain and Italy. This week, the soybean group (Mr. Rasmussen, Mr. Tindal, and Mr. Wanamaker, led by Mr. Hutchins) is visiting Yugoslavia (Nov. 17-20) and Denmark (Nov. 20-22) while the feedgrain group is in West Germany and Belgium. The joint team will be in London November 23-27.

Cotton Promotion Swings Through Canada This Year

Housewives in Canada have been reading full-page color ads for cotton sportswear and household items and meeting the Maid of Cotton in department store fashion shows. School children have been learning about cotton fiber and how their country's textile industry is growing. Businessmen are being briefed on cotton's new fashion look and technological up-to-dateness. And sales personnel are learning why cotton sportswear, household items, and rainwear have special appeal.

This "cotton awareness" campaign — conducted by Cotton Council International and the Canadian Cotton Council in cooperation with FAS—is building sales for the Canadian textile industry. In turn, these increased sales are helping to strengthen the market for the industry's chief cotton supplier, the United States. Nearly all available publicity media are carrying the cotton story, with emphasis on follow-through advertising right to the point of sale.

Fashion shows

The 1968 Maid of Cotton, Susan Holder, visited four Canadian cities last spring where she modeled an all-cotton wardrobe in 20 department store fashion shows. Over 6,800 persons attended. Some of Miss Holder's fashions were made up from cotton piece goods available in the stores—an important promotional move in Canada where home sewing is a major outlet for cotton fabric. Coinciding with Miss Holder's visit, local newspapers and store window displays drew attention to cotton goods.

Throughout the year retail ads in magazines and newspapers have been a strong avenue of promotion for cotton in Canada. Leading department stores, manufacturers, and the Cotton Council have jointly financed generic publicity for cotton with the cotton emblem and available-at-these-stores listings. The ads generally have featured women's, misses', and juniors' dresses and sportswear, although men's furnishings, children's wear, and household and canvas goods also have been advertised. It is estimated that these ads reached about half of all Canadian households from Quebec to Victoria.

Full-color posters illustrating five juniors' and misses' sportswear ensembles have been displayed on billboards in both English- and French-speaking communities. Shoppers are urged to buy cotton goods for their dependability, style, easy care, and adaptability.

A strong effort has also been made to generate enthusiasm for cotton products among retailers, manufacturers, and others in the cotton trade. A special 16-page supplement went into an April issue of *Style* magazine—the Canadian women's and children's wear trade publication—specifically for that audience. More than 10,000 retailers, primary mill representatives, manufacturers, agents, salesmen, and home economics instructors saw the cotton advertising spread.

The supplement consisted of one institutional cover ad, seven pages of wearing apparel ads, six and a half pages of editorials on cotton and the Council, and one and a half pages of noncompetitive advertising. The theme "You Can Feel How Good It Looks" was carried from cover to cover, with durable press the featured fabric.

Products advertised were juniors' and misses' dresses and sportswear, women's woven and knitted sportswear, women's loungewear, children's play and sleepwear, and corduroy fabrics. Reaction to the supplement was very favorable with several subscribers asking for advertising space in similar projects.

Educational programs

The Council this year also had an information program to reacquaint salespeople with the cotton products they were selling. Training sessions in major department stores in Quebec, Toronto, Winnipeg, Edmonton, and Calgary drew about 1,000 store employees, who saw slide shows, movies, and flip charts on cotton's origins, qualities, and uses.

A long-term approach has been taken on developing customers for cotton by bringing the story of cotton and textiles to the Canadian schools. More than 12,000 copies of booklets put out by the Council have gone free of charge into science labs and home economics classes. Among the booklets are those titled "The Story of Cotton in Canada," "The Fiber You Can Trust," and "Cotton—Facts About Fiber and Fabric."

Three of the pages from CCI's flip charts on cotton had these illustrations and accompanying text in English and French. Right, cotton's easy-care qualities are extolled; below right, its adaptability for household wear. Below, shoppers are encouraged to look for the "100 percent cotton" label for dependable buys in wearing apparel.

Trade Teams, Coming and Going, Discuss U.S. Grains

This autumn has seen several groups of people traveling both to the United States and from it to foreign countries, with the common purpose of conferring about one or another aspect of U.S. grain. Some were government officials, interested in supplies and trade possibilities; some, livestockmen, interested in feeding techniques; some, processors, interested in milling methods and requirements; some, marketing experts, interested in storage and shipping facilities.

Sponsoring these missions is USDA's Foreign Agricultural Service, working chiefly with the U.S. Feed Grains Council and with the regional U.S. wheat producer groups—Western Wheat Associates, U.S.A., Inc., and Great Plains Wheat, Inc.—or their market development representative in Asia, Wheat Associates, U.S.A.

From Japan—top-ranking U.S. wheat customer—came two teams. One consisted of five members of the Japanese Food Agency (including a new representative stationed in Portland, Oreg.), who arrived September 28 to view U.S. wheat production and marketing operations and confer with industry representatives and USDA officials. The other team represented four major Japanese flour milling companies and the Flour Millers Association. These key operations personnel maintain day-to-day contacts with the Food Agency on Japan's wheat demand and supply program. Their trip (Oct. 17-Nov. 9) was planned to give them a view of wheat areas in the Western and Great Plains States and an opportunity to discuss wheat quality and marketing problems with U.S. growers and traders and with government specialists.

Two teams came also from India, biggest noncommercial outlet for U.S. wheat. Three high-level officials, including the Director General of Food, toured wheat and grain sorghum producing areas in the Middle West and Southwest and met with their counterparts in Washington, D.C. (Sept. 20-Oct. 13). Another group of grain officials has just finished a 3-week training program at the Doty Laboratories in Kansas City, Mo., designed to acquaint them with U.S. techniques for the chemical analysis of wheat and wheat products, so that India's storage and inspection personnel can most effectively allocate the government's purchases of various classes of U.S. wheat.

One team—a group of Korean millers—reflected their government's interest in expanding Korea's wheat consumption and their own interest in producing the kinds of wheat products displayed this spring at U.S. food exhibits in Tokyo and Seoul. They were officials of the Korean Flour Millers Industrial Association, which represents all South Korean mills and acts as a clearinghouse for wheat purchases, coordinating mill supply and demand with the Korean Government. During their stay (Sept. 20-Oct. 14), they talked with wheat growers and processors across the country, as well as with U.S. Government people.

From Greece came a six-man livestock team (Sept. 10-30), to acquaint themselves with U.S. beef and swine production techniques—in nutrition, breeding, management, and facilities. Members represented both government and industry. They saw corn and grain sorghum harvesting and feeding operations; met livestock specialists at Purdue University, the University of Illinois, Colorado State University, and Texas Technological College; and conferred with leading industry and government officials.

Italy sent a seven-man team of Ministry of Agriculture and mill representatives for a study tour (Oct. 7-26) of the U.S. wheat and durum industries. Italy last year bought over 5 million bushels of U.S. durum, Hard Red Spring Wheat, and Hard Red Winter Wheat; and it has an increased demand for imported wheat and durum this year. The Italians visited Great Plains wheat States and talked with growers, shipping experts, exporters, processors, and university specialists in the three types of U.S. wheat mentioned.

Still in the country is a team of U.K. grain merchants that arrived November 14 for a 2-week visit. Their purpose is to study corn handling, grading, and shipment at country and subterminal points and at major U.S. ports involved in corn exports to Europe. All are actually in the business of selling U.S. corn; one is a principal corn merchant in his area, selling to both country feed compounders and large farmers. Their trip, taking them to Toledo, Chicago, Minneapolis, Des Moines, New Orleans, and New York, is designed to give them a clear concept of how U.S. corn is handled, from country elevator to export.

Meanwhile, two U.S. teams were on the move—one to Europe and one to Asia. A government-industry wheat team visited the European Economic Community countries, Yugoslavia and the United Kingdom (Oct. 5-24), as part of USDA's long-term program to strengthen domestim farm prices by increasing exports of U.S. farm products. The countries visited are leading cash buyers of U.S. wheat.

A three-man team of U.S. corn processors left in mid-October for New Delhi, Singapore, Hong Kong, Taipei, Seoul, and Tokyo, to study commercial market prospects for processed corn products. Sponsor with USFGC and FAS was the American Corn Millers Federation.

Wheat Standards

Effective January 31, 1969, USDA is amending the *Official Grain Standards of the United States for Wheat* to reduce the test weight requirements for White Club Wheat and to enlarge the definition of the term "Sample grade."

USDA's Consumer and Marketing Service, in announcing the amendments on October 30, said that they would—

- Reduce the test weight per bushel for White Club Wheat in grades No. 1, 2, 3, 4, and 5, from 60 pounds to 58, 58 to 57, 56 to 55, 54 to 53, and 51 to 50 respectively; and
- Include in the term "Sample grade" some of the factors that are at present considered as "distinctly low quality."

It was on July 3 that USDA originally proposed to amend the U.S. standards for wheat. Interested parties had until September 23 to submit comments. The amendments, as announced by C&MS, reflect suggestions made by the wheat trade.

Under the terms of the recently revised U.S. Grain Standards Act, grain shipped in interstate commerce may be inspected for grade at the request of buyers or sellers. Grain shipped by grade in foreign commerce, however, must be inspected. U.S. grades for wheat provide a common language among producers, buyers, and sellers, thus facilitating the orderly marketing of wheat.

A notice on the changes in the standards was published in the November 1 issue of the *Federal Register*. Reprints of this notice may be obtained from the Director, Grain Division, Consumer and Marketing Service, USDA, Federal Center Building, Hyattsville, Md. 20782.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between October 30 and November 6, offers of Argentine wheat advanced 7 cents per bushel, while offers of U.S. Hard Winter were up 2 cents. Canadian Manitoba declined one cent, U.S. Spring remained unchanged, and USSR 121 increased one cent.

U.S. corn prices advanced 5 cents per bushel and Argentine 4 cents. South African white corn was again offered, about 3 cents over prices of a year ago.

A listing of the prices follows.

Item	Nov. 6	Oct. 30	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.03	2.04	2.08
USSR 121	1.96	1.95	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.95	1.95	1.96
U.S. No. 2 Hard Winter, 14 percent	1.98	1.96	1.92
Argentine	1.80	1.73	(1)
U.S. No. 2 Soft Red Winter	1.71	1.71	1.76
Corn:			
U.S. No. 3 Yellow	1.31	1.26	1.37
Argentine Plate	1.39	1.35	1.82
South African White	1.53	(1)	1.50

[1] Not quoted.

All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Leaf Exports Continue Up in September

Exports of unmanufactured tobacco in September totaled 73.4 million pounds, valued at $65.6 million. These shipments represent an increase of 23 percent in quantity and 15 percent in declared value over comparable figures in 1967.

During January-September 1968, these exports were 10.4 percent larger in volume and 8.7 percent higher in value than in the same period of 1967. Shipments of flue-cured leaf, the major kind of U.S. leaf, are running about 10 percent above those of a year ago. Larger shipments of flue-cured leaf were made so far this year to the principal importing countries, including the United Kingdom, the Netherlands, Thailand, Japan, Belgium, Denmark, and Australia. Smaller shipments have gone to West Germany.

Burley shipments, the second most important U.S. leaf, were up substantially in August and September but are currently about 5.8 percent below those of the same period last year. Larger burley shipments have gone to the principal importing countries, including Sweden, Thailand, Denmark, Switzerland, Belgium, the Philippines, and Hong Kong. Shipments to West Germany and the Netherlands have declined slightly.

Export value of tobacco products also continued up in September. Twenty million dollars worth of products were shipped in September, compared with $11.4 million in September 1967. For the 9-month period so far in 1968 the value of tobacco products shipments is up 18.7 percent for a total of $123.6 million. Cigarette and smoking tobacco exports have increased significantly whereas cigars, chewing, and snuff products are down slightly so far this year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO

Kind	September		January-September		Change from 1967
	1967	1968	1967	1968	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	44,888	49,545	282,131	310,746	+10.1
Burley	3,106	5,576	35,776	33,698	− 5.8
Dark-fired Ky.-Tenn.	1,714	2,788	15,149	16,832	+11.1
Va. Fire-cured [1]	477	1,166	3,074	4,174	+35.8
Maryland	1,298	3,076	11,221	11,248	+ .2
Green River	51	0	849	474	−44.2
One Sucker	91	307	778	511	−34.3
Black Fat	227	438	3,108	2,047	−34.1
Cigar wrapper	463	552	2,828	3,480	+23.1
Cigar binder	39	28	1,520	2,011	+32.3
Cigar filler	117	26	614	276	−55.0
Other	6,968	9,864	28,199	39,672	+40.7
Total	59,439	73,366	385,247	425,169	+10.4
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	57.0	65.6	333.9	363.1	+ 8.7

[1] Includes sun-cured.

Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	September		January-September		Change from 1967
	1967	1968	1967	1968	
					Percent
Cigars and cheroots *1,000 pieces*	8,887	7,732	57,393	54,880	− 4.4
Cigarettes *Million pieces*	1,811	3,329	18,098	20,253	+11.9
Chewing and snuff *1,000 pounds*	16	22	231	207	−10.4
Smoking tobacco in pkgs. *1,000 pounds*	98	285	877	1,435	+63.6
Smoking tobacco in bulk *1,000 pounds*	1,780	2,592	12,551	16,177	+28.9
Total declared value *Million dollars*	11.4	20.4	104.1	123.6	+18.7

Bureau of the Census.

Dominican Sugar Industry Makes Gains

The Dominican Republic's sugar industry is expected to show sizable gains in 1968 over the previous year. It is now estimated that the CEA (State Sugar Council) will show a profit of about $9 million, up steeply over the $1.5 million earned in 1967 and in sharp contrast to the loss of $20 million reported in 1966. The number of sugar mills has been constant at 16 (with 12 operated by the CEA), so that credit for the dramatic gain in profits goes to the improved techniques which have been introduced during the past two seasons.

In 1967 the CEA launched a program of mechanizing field operations. One mill was converted on a full-scale trial basis.

When this experiment proved successful, it was decided to go forward with a 3-year program which will convert the remaining 15 mills at a cost of $15 million. Bulk storage units and warehouses are also to be built as part of the improvement in mill operations.

For 1968 the Dominican Government has a U.S. sugar quota of 705,473 short tons. As in 1966 and 1967, almost all of the sugar exported will go to the United States. For the future, however, the Dominican Government envisions sales to the world market of about 200,000 short tons annually in addition to that sold under the U.S. quota.

Most sectors of the industry are in favor of increasing sugar output to about 1.1 million tons annually. Many feel the increase should come through larger yields not acreage—a development quite possible in view of the relatively low yields for sugar in the Dominican Republic.

U.S. Livestock and Meat Products Trade Up

U.S. imports of livestock and meat products continued to rise relative to year-earlier levels because of strong U.S. beef prices—particularly for boneless processing beef. Nevertheless, September exports of the major U.S. livestock and meat products were substantially above those of last September, bringing January-September 1968 exports above year-earlier levels for several categories.

Spurred by rising U.S. beef prices, both September and January-September imports of beef and veal continued upward. U.S. imports of canned hams and shoulders—the major type of imported pork—also continued upward. Total red meat imports for the first 9 months of 1968 were 1,178 million pounds, up from 1,002 million during the same period in 1967. Although the 9-month total of live cattle imports was up, September imports were down 11 percent.

September exports of most categories of U.S. livestock and meat products were above the year-earlier level. U.S. exports of inedible tallow and grease—which accounted for 35.3 percent of the total value of U.S. livestock and meat product exports in 1967—were up 35 percent in September, bringing the 9-month total up to the same level as last year. Total red meat exports in September were more than double the September 1967 level, and the 9-month total was up 3 percent.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	September		Jan.-Sept.	
	1967	1968	1967	1968
	1,000	*1,000*	*1,000*	*1,000*
Animal fats:	*pounds*	*pounds*	*pounds*	*pounds*
Lard	13,452	16,363	135,306	126,247
Tallow and greases:				
Inedible	131,563	177,162	1,690,717	1,683,553
Edible	592	782	12,955	6,848
Meats:				
Beef and veal	1,656	2,095	23,245	20,176
Pork	3,418	10,552	35,859	40,784
Lamb and mutton	342	122	1,291	1,291
Sausages:				
Canned	89	137	862	1,099
Except canned	200	290	1,700	2,218
Meat specialties:				
Canned	178	235	1,724	1,177
Frozen	343	255	1,697	1,476
Other canned	743	655	6,140	6,349
Total red meats [1]	6,971	14,347	72,516	74,570
Variety meats	17,015	23,906	167,731	158,355
Sausage casings:				
Hog	525	422	4,628	4,545
Other natural	322	505	3,098	2,789
Mohair	719	1,925	6,869	9,257
Hides and skins:				
Cattle parts	4,162	4,023	33,262	25,757
	1,000	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	911	1,183	8,916	9,265
Calf	124	85	1,463	1,511
Kip	37	45	363	259
Sheep and lamb	273	373	2,841	2,910
Horse	6	8	52	59
Goat and kid	25	29	226	183
	Number	*Number*	*Number*	*Number*
Live cattle	5,411	4,468	33,610	27,480

[1] May not add due to rounding.
U.S. Department of Commerce, Bureau of the Census.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	September		Jan.-Sept.	
	1967	1968	1967	1968
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	420	1,068	3,276	8,034
Fresh and chilled	755	2,094	3,505	13,818
Boneless beef	81,899	106,564	591,604	677,094
Cuts (prepared)	121	139	912	1,047
Veal	1,282	780	11,216	14,553
Canned beef:				
Corned	12,309	9,382	63,418	68,478
Other, incl. sausage	1,203	1,350	9,482	10,983
Prepared and preserved	4,693	8,801	27,460	53,879
Total beef and veal [1]	102,682	130,179	710,873	847,884
Pork:				
Fresh and frozen	3,535	3,216	35,760	38,082
Canned:				
Hams and shoulders	13,859	22,070	155,360	173,437
Other	3,127	3,867	31,511	31,104
Cured:				
Hams and shoulders	109	94	1,382	1,635
Other	326	255	3,217	3,104
Sausage	177	153	1,943	1,713
Total pork [1]	21,133	29,654	229,172	249,076
Mutton and goat	5,386	4,962	38,716	53,962
Lamb	1,502	2,431	7,607	13,203
Other sausage	363	634	4,634	5,579
Other meats, n.s.p.f.	918	1,356	11,326	8,770
Total red meats [1]	131,984	169,215	1,002,326	1,178,471
Variety meats	231	189	2,144	2,674
Wool (clean basis):				
Dutiable	10,447	8,154	83,872	103,487
Duty-free	7,238	12,456	53,591	93,757
Total wool [1]	17,685	20,612	137,464	197,242
Hides and skins:	*1,000*	*1,000*	*1,000*	*1,000*
	pieces	*pieces*	*pieces*	*pieces*
Cattle	26	37	131	358
Calf	51	48	375	325
Kip	16	27	280	202
Buffalo	20	52	283	412
Sheep and lamb	1,454	2,358	16,878	27,773
Goat and kid	511	344	5,754	4,228
Horse	5	11	132	206
Pig	76	73	940	556
	Number	*Number*	*Number*	*Number*
Live cattle [2]	34,164	30,464	420,307	624,964

[1] May not add due to rounding. [2] Includes cattle for beeding.
U.S. Department of Commerce, Bureau of the Census.

Pork exports contributed substantially to the rise in September total red meat exports, as pork exports were more than triple their level in September 1967. Mohair exports for the first 9 months of 1968 were up 35 percent owing to a 168-percent increase in September exports relative to last year. After having lagged behind year-earlier levels for the first part of 1968, September exports of cattle hides were up 30 percent, and the 9-month total was up 4 percent. Of the major export categories of U.S. livestock and meat products, only live cattle exports failed to show improvements in either September or the 9-month total for 1968.

U.K. Lard Imports Up Slightly

U.K. imports of lard during the first 8 months of 1968 totaled 284.2 million pounds, up slightly from the 277.9 million imported during the same period in 1967. However, foreign trade estimates of lard imports for full calendar year 1968 are expected to be about 2.5 percent below the 1967 level of 414.2 million pounds. The anticipated decline is attributed to the continued downward trend in the use of lard in the production of compound fats and margarine.

Larger imports during the first 8 months of this year from Belgium, Italy, France, the Netherlands, Sweden, and Switzerland more than offset declines from the United States, Romania, West Germany, Denmark, and Poland. Significant changes have occurred from last year in the imports from supplying countries. Takings from Italy rose to 36.9 million pounds from only 709,000 for January-August 1967. Imports from Romania dropped to 19.1 million pounds from 29.7 million. Imports from Poland amounted to only 224 pounds as opposed to 25.0 million, while takings from Bulgaria were nil compared with the 1.9 million pounds imported during the January-August period last year.

Belgium was the principal supplier during the first 8 months of 1968. Imports from that country totaled 85.1 million pounds, compared with 70.0 million in January-August 1967, and accounted for 30 percent of total U.K. imports. Imports of U.S. lard, at 77.0 million pounds, were down 22.5 percent from the 99.3 million taken during January-August 1967. The U.S. percentage share of total imports dropped to 27.1 percent from 35.8 percent for the first 8 months of last year.

U.K. IMPORTS OF LARD BY COUNTRY OF ORIGIN, JANUARY-AUGUST 1967 AND 1968

Country of origin	January-August			
	1967		1968	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
Belgium	70,027	25.2	85,081	30.0
United States	99,348	35.8	76,957	27.1
Italy	709	.3	36,901	13.0
France	10,017	3.5	21,657	7.6
Netherlands	14,593	5.3	19,638	6.9
Romania	29,694	10.7	19,066	6.7
Denmark	15,212	5.5	14,070	5.0
Sweden	2,795	1.0	4,576	1.6
Germany, West	7,555	2.7	4,431	1.5
Switzerland	626	.2	1,685	.6
Poland	25,028	9.0	(1)	.—
Others	2,322	.8	129	—
Total	277,926	100.0	284,191	100.0

[1] Less than 500 pounds.
Henry A. Lane & Co., Ltd.

Colombian Cotton Output Continues Climb

The 1968-69 cotton crop in Colombia will be sharply above the record harvest of 465,000 bales last year and the 1960-64 average of 335,000 (480 lb. net). The production increase this season is attributed to expanded cotton acreage in both the central and northern zones. Total area is estimated to be up one-third from the 431,000 acres harvested last season. The Government of Colombia, seeking to expand cotton exports, is continuing its policy of maintaining favorable price supports and a supply of credit to the cotton producers.

Production in the central zone, where harvesting is completed, amounted to around 260,000 bales, compared with 160,000 in 1967-68. Farmers in that zone diverted land away from competing crops. The planting of the northern zone crop was finished in September and early indications point to a record crop in that area. Acreage in this zone is reportedly increased by around one-fifth from last year. Much of this is newly cleared land.

Consumption of raw cotton in the current year is likely to be below the 310,000 bales consumed in each of the two preceding seasons. The decline in consumption is attributed to the increased use of manmade fibers by the textile industry. Reportedly, the companies producing finished goods made from manmade fibers are placing a continued emphasis in sales promotion of synthetic fiber products.

Imports of raw cotton in 1967-68 totaled about 3,000 bales, principally of long-staple cotton from Peru.

Exports of raw cotton in 1968-69 are expected to increase sharply from the record high of 150,000 bales exported in 1967-68. The large crop produced in 1967-68 and the further increase this season will provide a larger quantity of cotton for export. Major destinations of cotton shipments last year were West Germany, United Kingdom, France, Netherlands, and Ecuador.

Austrian Textile Activity Improves

Textile activity in Austria is showing signs of expansion in 1968-69. Overall industrial activity is improving, consumer incomes are rising, and there appears to be some easing of competition from foreign textile imports. Cotton consumption in 1968-69 (August-July) is not expected to benefit greatly from the improved textile activity, since manmade fiber competition will be keener. Cotton offtake is placed at 100,000 bales (480 lb. net) for the season, up 3,000 from a year earlier. Consumption of 97,000 bales in 1967-68 was the lowest level since 1953-54, and compares with the 1961-62 high of 128,000 bales.

The gradual decline in raw cotton consumption since 1961-62 is to a great extent attributed to an increasingly unfavorable trading situation for cotton textiles. Imports of cotton yarn from Portugal, Spain, Greece, Egypt, and Turkey have been increasing. Also, in recent years rayon staple and synthetic fibers together have displaced cotton as the principal textile raw material processed in Austria.

Austrian cotton imports, based on mill receipts of raw cotton, are likely to about equal mill consumption in 1968-69. During last season 99,000 bales were imported. In past years the United States held first place as the source of Austria's raw cotton imports, but in 1967-68 the United States was second to Turkey. The United States supplied 15,000 bales of raw cotton in 1967-68, compared with 19,000 a year

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earlier and an average of 30,000 in the most recent five seasons.

Netherlands Canned Fruit and Juice Prices

Selling prices (landed, duty-paid) in the Netherlands of selected canned fruits and juices are as follows:

Type and quality	Size of can	Price per dozen units Oct. 1967	June 1968	Sept. 1968	Origin
		Dol. per doz.	*Dol. per doz.*	*Dol. per doz.*	
CANNED FRUIT					
Apricot halves:					
Choice, heavy sirup	2½	—	4.24	4.24	South Africa
Not specified	2½	—	3.51	3.61	Spain
Do	15 oz.	2.15	1.62	1.72	Spain
Cherries, sweet, not pitted:					
Not specified	1	6.23	5.93	5.47	Italy
Cherries, R.S.P.:					
Not specified	5 kg.	36.96	33.98	30.66	Yugoslavia
Fruit cocktail:					
Choice, light sirup	2½	—	—	5.70	U.S.
Do	10	—	—	18.56	Australia
Choice, heavy sirup	2½	—	—	5.27	Italy
Choice	3 kg.	—	16.51	16.18	Spain
Peaches, Clingstone:					
Choice, heavy sirup	2½	4.74	—	4.61	U.S.
Choice, light sirup	2½	4.51	—	4.28	U.S.
Standard, light sirup	2½	—	3.55	3.65	Australia
Pear halves:					
Choice, heavy sirup	2½	4.57	5.01	5.01	Australia
Do	2½	4.54	—	4.04	Italy
Pineapple:					
Slices, fancy	2½	5.34	5.47	5.47	U.S.
Slices, choice, heavy sirup	2½	4.48	4.31	4.34	U.S.
Half slices, standard	2½	3.94	3.81	3.81	Philippines
Chunks, heavy sirup	2½	3.94	3.91	3.91	U.S.
Pieces	8½ oz.	1.28	1.33	1.39	Taiwan
Mixed pieces	2½	—	3.02	3.13	Philippines
CANNED JUICES					
Orange, unsweetened	[1] 1 qt.	4.48	5.80	5.37	U.S.
Do	[1] 0.7 ltr.	—	3.22	3.12	Israel
Do	6 oz.	.94	.94	.94	Greece
Pineapple, unsweetened	6 oz.	.99	.99	.99	U.S.

[1] In glass bottles.

Ontario Harvests a Smaller Grape Crop

Latest estimates of the Ontario Grape Growers' Marketing Board indicate that the crop will be more than 10 percent below the 65,000 tons harvested last year. Cool weather last spring resulted in a smaller number of berries forming on the bunches and apparently prevented the normal growth of the grapes. However, the quality of more than 40 varieties of the crop produced compares favorably with that of other years.

The 1968 supply is low, but the demand for grapes by Canadian processors and home-wine makers has increased, so that the possibility of an exportable surplus is slight. This means that Canadian exporters will be unable to meet the demand of U.S. processors in the Great Lakes region, whose sources were affected by the same adverse weather conditions.

Based on the Canadian prices for most varieties negotiated earlier in the season (slightly higher than last year's), the value of the 1968 crop to the growers is expected to be about Can$6 million.

Crops and Markets Index

Cotton
15 Colombian Cotton Output Continues Climb
15 Austrian Textile Activity Improves

Fruits, Nuts, and Vegetables
16 Netherlands Canned Fruit and Juice Prices
16 Ontario Harvests a Smaller Grape Crop

Grains, Feeds, Pulses, and Seeds
14 Weekly Report on Rotterdam Grain Prices

Livestock and Meat Products
14 U.S. Livestock and Meat Products Trade Up
15 U.K. Lard Imports Up Slightly

Sugar and Tropical Products
13 Dominican Sugar Industry Makes Gains

Tobacco
13 U.S. Leaf Exports Continue Up in September

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